



NRUC
CORPORATION

100 NORTH TWENTIETH STREET
SECOND FLOOR
PHILADELPHIA, PA 19103
215 • 569 • 2220
Telecopier — 215 • 569 • 2314

16608
NOV 14 1989 - 12 55 PM
INTERSTATE COMMERCE COMMISSION

November 8, 1989

9-321A033

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, DC 20423

Attn: Ms. M. Lee - Room 2303

Dear Ms. Lee:

Enclosed herewith are one (1) original and three (3) copies of documents, described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

These documents are a Lease Agreement between NRUC Corporation (Lessor) existing under the laws of the State of South Carolina and Bay Colony Railroad Corporation (Lessee) a Limited Partnership with corporate offices at:

Lessor: NRUC Corporation
100 North Twentieth Street
Second Floor
Philadelphia, Pennsylvania 19103

and

Lessee: Bay Colony Railroad Corporation
420 Bedford Street
Lexington, Ma 02173
Attn: President

A fee of thirteen dollars (\$13.00) is enclosed. Please return one (1) original and one (1) copy of this Lease Agreement with the recordation certification data stamped thereon to my attention at the above address.

Sincerely,

Roland A. McKee
Director of Marketing
NRUC Corporation

RAM/ams

LEASE

AGREEMENT made and entered into this First day of June, 1989,
between NRUC CORPORATION (Lessor) A South Carolina corporation,
(hereinafter called "NRUC"), and Bay Colony Railroad Corporation
(Lessee) a Massachusetts Corporation, (hereinafter called "BCRC")

RECITALS

Lessee desires to lease from NRUC as Lessor certain railroad
cars, hereinafter specifically designated, all upon the rentals
and terms and conditions set forth in this Lease.

AGREEMENT

It is Agreed:

1. Lease of Cars. NRUC agrees to Lease and Lessee
agrees to and does hereby lease from NRUC that number of railroad
cars, of the type, construction and such other description
(hereinafter referred to as the "Cars") as is set forth in
Exhibit "A" attached hereto and by this reference made a part
hereof. The Cars covered by this Lease are those which shall be
delivered to and accepted by Lessee pursuant to Paragraphs 2 and
3 hereof. The Lease shall become effective as to any Car
immediately upon its acceptance pursuant to Paragraph 3 hereof.

2. Delivery of Cars. NRUC shall deliver the Cars from
time to time as promptly as is reasonably possible. NRUC shall
not be responsible for failure to deliver or delay in delivering
Cars due to casualties and contingencies beyond its direct
control, such as, but not limited to, labor difficulties, fire,
delays and defaults of carriers; provided, however, that in no
event shall Lessee be obligated to accept delivery of Cars after

16608
RECORDED IN
NOV 13 1989 - 12 55 PM
INTERSTATE COMMERCE COMMISSION

JUNE 30, 1989. Initial delivery shall be from St. Lawrence Repair facility, Norfolk, N.Y.

Thereafter, Lessee shall be liable for, and shall pay or reimburse NRUC for the payment of, all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of Cars. Cars shall be forwarded freight collect to the Bay Colony Railroad, Marlboro, Mass.

3. Condition of Cars-Acceptance. All Cars delivered hereunder shall be in satisfactory condition for the normal movement of rail traffic, but Lessee shall be solely responsible for determining that the Cars are in proper condition for loading and shipment. Within five (5) working days after NRUC shall give Lessee notice that some or all Cars are ready for delivery, Lessee may have its authorized representative inspect such Cars at the point of delivery and accept or reject them as to condition. Cars so inspected and accepted and any Cars which Lessee does not elect to inspect shall be conclusively deemed to meet all requirements of this Lease and any differences or discrepancies from specified condition, construction, type, equipment, or otherwise, are thereby waived by Lessee without further act on its part. Lessee shall issue and deliver to NRUC with respect to all Cars accepted as or deemed hereunder to meet the requirements of this Lease, a Certificate of Inspection and Acceptance in the form and text attached hereto as Exhibit "B" and by this reference made a part hereof.

4. Use and Possession. Throughout the continuance of this Lease, so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to each Car and may use such Car,

(a) on its own property or lines; and

(b) upon the lines of any connecting railroad with which Bay Colony Railroad has entered a bilateral agreement for limited interchange service, and not in violation of AAR Rules applicable to "Cars operating in Interchange Service" but at all times subject to the terms and conditions of this Lease.

5. Term. Subject to the purchase option contained in Paragraph 27, this lease agreement shall be for a term of five (5) years, which shall commence on June 1, 1989, the "Commencement Date", and which shall terminate on May 31, 1994. All of the terms and provisions of this lease agreement shall apply and be in full force and effect with respect to cars accepted by Lessee prior to the Commencement Date.

6. Termination Date. After delivery of the last Car, NRUC shall confirm to Lessee the Commencement Date and the date of expiration of the original term set forth in Paragraph 5 hereof.

7. Rental. Lessee shall pay to NRUC as monthly rental the sum of Seven Hundred Sixty Eight Dollars and Two Cents

..
(\$768.02) for each car. Rental shall be payable monthly in arrears due the first of each month.

8. Payment. Lessee shall make payment of all sums due hereunder to Lessor (NRUC) at:

NRUC CORPORATION
C/O PICKENS RAILROAD
402 CEDAR ROCK STREET
PICKENS, S.C. 29671

8.1 All amounts payable under paragraph 7 will be remitted by (a) wire transfer in immediately available funds to the Lessor on the date due, or (b) regular U.S. Mail service if received by Lessor at least two banking days prior to date due. Late payment charges will be assessed by Lessor to the Lessee at a rate of 1.0% interest per month, pro rata on a daily basis.

9. Title. The Lessee shall not by reason of this lease or any action taken hereunder acquire or have any right or title in the cars except the rights herein expressly granted to it as Lessee.

10. Maintenance. Lessee shall, during the continuance of this Lease, promptly and with due diligence, keep and maintain the Cars in good working order and repair (ordinary wear and tear excepted) and make all replacements, changes or additions to the Cars or their equipment and appliances to the extent necessary or required from time to time,

- (a) by the Interchange Rules, if applicable; or
- (b) by applicable laws and regulations of any state or governmental body, including specifically but not exclusively, the Interstate Commerce Commission.

11. Taxes and Other Levies. Lessee shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes levied or assessed during the continuance of this Lease upon the Cars or the interest of the Lessee therein, or upon the use or operation thereof or the earnings arising therefrom, and if any levy or assessment is made against NRUC on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of NRUC therefrom (except any such tax on rentals which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse Lessor for same); but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof; provided, that such proceedings do not materially endanger the rights or interests of NRUC in and to the Cars.

12. Liens. Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect title to the Cars which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease, and shall promptly discharge any such lien, encumbrance or legal process, except such as are permitted by NRUC under Paragraph 11 hereof.

13. Indemnity. Lessee agrees to indemnify NRUC and save it harmless from any charge, loss, claim, suit, expense or

liability which NRUC may suffer or incur and which arise in connection with the use or operation of a Car or Cars while subject to this Lease.

14. Warranty - Representations. Except as otherwise provided in paragraph 3, NRUC makes no warranty or representation of any kind whatsoever, either express or implied as to any matter whatsoever, including specifically but not exclusively, fitness, design, workmanship, condition or quality of the Cars or parts thereof which have been accepted by Lessee hereunder, and NRUC shall have no liability hereunder for damages of any kind, including specifically but not exclusively, special, indirect, incidental, or consequential on account of any matter which would otherwise constitute a breach of warranty or representation.

14.1 "Representations and Warranties of Lessee".

Lessee represents and warrants as follows:

- (a) Lessee is a corporation duly incorporated and validly existing under the laws of the State of Massachusetts with full corporate power and authority to own its properties and to carry on its business as presently conducted and to enter into and perform its obligations under this Lease;
- (b) This Lease has been duly authorized, executed and delivered by Lessee and constitutes a legal and valid agreement binding upon Lessee and enforceable in accordance with its terms;
- (c) No approval is required from any public

regulatory body with respect to the entering into or performance of this Lease by Lessee, or if any such approval is required, it has been properly obtained;

(d) The entering into and performance of this Lease will not result in any breach of, or constitute a default under any indenture, mortgage, deed of trust, loan or credit or other agreement or instrument to which Lessee is a party or by which it may be bound or contravene any provision of law, statute, rule or any judgment, decree, franchise, order or permit applicable to Lessee;

(e) There are no actions, suits or proceedings pending or, to the knowledge of Lessee, threatened against Lessee or its properties or affecting this Lease or the transactions contemplated hereby which could, if adversely determined, materially and adversely affect the carrying out of such transactions.

15. Car Marking. Each Car upon delivery will be distinctly, permanently and conspicuously marked in stencil with one of the reporting numbers and marks specified in Exhibit "A" with a legend on each side in letters not less than three-quarter inches (3/4") in height:

Title to this Car subject to
documents recorded under Section 11303
of Title 49 of the United States Code.

16. Inspection - Inventory During the continuance of this Lease, NRUC shall have the right, at its own cost and expense, to inspect the Cars at any reasonable time or times wherever the Cars may be. Lessee shall, upon request of NRUC, but no more than once every year, furnish to NRUC two (2) copies of an accurate inventory of all Cars in service.

17. Loss, Theft or Destruction of Cars. In the event any Car is lost or stolen or is destroyed or damaged beyond economical repair, Lessee shall promptly and fully inform NRUC of such occurrence. Upon the occurrence of such event, Lessee shall promptly make payment to NRUC of the casualty value of the car in the amount provided in exhibit "C" Casualty Value Schedule. This Lease shall continue in full force and effect irrespective of the cause, place or extent of any damage, loss or destruction of any of the Cars; provided, however, that this Lease shall terminate with respect to any Car which is lost, stolen or destroyed or damaged beyond repair on the date NRUC shall receive all amounts and things required on account of such Car under this Paragraph 17, and on such date Lessee shall receive a credit or refund of rental actually paid with respect to any such car from the date the car is lost or damaged.

18. Return of Cars. Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 17 thereof), Lessee shall at its own cost

and expense,

- (a) forthwith surrender possession of such Car to NRUC in the condition required by Paragraph 10 hereof by delivering same to NRUC at such point as NRUC may direct within the continental United States; and
- (b) if NRUC shall so request by written notice delivered prior to surrender of possession of such Car as above provided, Lessee will provide suitable storage for such Car for a period of ninety (90) days at no cost to NRUC from the date of expiration or termination and inform NRUC of the places of storage and the reporting number of the Cars there stored.

Delivery in storage shall constitute delivery of possession for the purpose of this Paragraph 18 and such storage shall be at the risk of NRUC. Upon termination of the storage period or upon request of NRUC prior thereto, Lessee shall cause the Car to be transported to NRUC at the place and in the manner provided in Paragraph 18(a). Until the delivery of possession to NRUC pursuant to Paragraph 18(a) or (b), Lessee shall continue to pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall, in addition, make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred.

19. Default. The term "event of default" for the purpose hereof shall mean any one or more of the following:

- (a) non-payment by Lessee, within five (5) days after the same becomes due, of any installment of rental or any other sum required to be paid hereunder by Lessee.
- (b) the Lessee shall default or fail for a period of thirty (30) days after written notice thereof in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder.
- (c) a decree or order shall be entered by a court having jurisdiction in the premises adjudging Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Lessee under the Federal Bankruptcy Code or any other applicable Federal or State law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Lessee or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order

unstayed and in effect for a period of sixty (60) days;

- (d) the institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceedings or to any action taken or proposed to be taken in any proceedings or action described in Paragraph 19(c), or the making by Lessee of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by Lessee in furtherance of any such action.

20. Remedies. Upon the happening of an event of default, NRUC, at its option, may:

- (a) proceed by appropriate court action either at law or in equity for specific performance by the Lessee of the applicable covenants of this Lease or to recover from Lessee all damages, including specifically but not exclusively, expenses and attorneys' fees which NRUC may sustain by reason of Lessee's default or on account of NRUC's enforcement of its remedies hereunder;
- (b) by notice in writing to Lessee terminate this Lease Agreement, whereupon all rights of Lessee to the use of the Cars shall

absolutely cease and terminate as though this Lease Agreement had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Cars may be and take possession of all or any of such Cars and thenceforth hold, possess, enjoy, sell, lease or otherwise dispose of the same in such manner as Lessor may in its sole discretion determine, with or without notice to Lessee, free from any right of Lessee, or its successors or assigns, to use the Cars for any purposes whatever and without any duty to account to Lessee in respect thereof, but Lessor shall, nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Lease Agreement may be then due or which may have accrued to the date of such termination (computing the rental due to Lessor for any number of days less than a full month by multiplying such rental for such full month by a fraction of which the numerator is such number of days in such full month) and also to recover forthwith from Lessee (i) as liquidated damages for loss of the bargain and not as a

penalty, a sum, with respect to all Cars, which equals the Casualty Value of all the Cars as of the Rental Payment Date next preceding the date of termination of this Lease Agreement, and (11) any damages and expenses in addition thereto, including, without limitation, transportation costs, reasonable attorneys' fees and court, which Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease Agreement other than for the payment of rental in the event Lessor collects liquidated damage described herein, and other than arising from the exercise by Lessor of any remedies hereunder. Notwithstanding anything to the contrary contained in this clause (b), it is understood and agreed that upon and/or after payment of the amount to be paid by Lessee to Lessor under subclause (1) of this clause (b) Lessor shall refund to Lessee an amount equal to the net amount received by Lessor, such refunded amount not to exceed the Casualty Value, on any sale, lease or disposition of the Cars after deduction all costs and expenses incurred, including attorney's fees, in connection therewith.

c1. Recording of Lease. Lessor intends, without expense

to Lessee, to cause this Lease and any assignment thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of Title 49 of the United States Code. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will re-file, register or re-record whenever required) any and all further instruments required by law or reasonably requested by Lessor, of its title to the Cars, or for the purpose of carrying out the intention of this Lease. Except as hereinbefore provided, Lessee will pay all costs, charges and expenses incident to the filing, refiling, registering, reregistering, recording and rerecording of any such further instrument or incident to the taking of any such other action, and will furnish to Lessor certificates or other evidence of any such action.

22. Governing Law-Writing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of South Carolina. The terms of this Lease and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

23. Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be evidenced by any such signed counterpart.

24. Severability-Waiver. If any term or provision of the Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of NRUC to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

25. Terminology. In construing any language contained in this Lease, no reference shall be made and no significance given to paragraph titles, such titles being used only for convenience or reference. Where the context so permits, the singular shall include the plural and vice versa.

26. Past - Due Rental. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals or other sum due hereunder, whether during the period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount equal to twelve per cent (12%) per annum (or if such rate may not lawfully be charged, then the highest rate which may lawfully be charged) of the overdue rentals for the period of time during which they are overdue.

27. Purchase Option. Lessee shall have the following option, if not in default hereunder, and upon one hundred and

eighty (180) days written notice prior to the expiration of the then current lease term:

(a) Lessee may purchase each car for one (\$1) dollar per car at the expiration of the lease term.

28. ASSIGNMENTS Lessee will not sell, sublease, assign, transfer, or otherwise dispose of its rights under this Lease without first obtaining the written consent of Lessor. Lessor, reserves the right to approve or disapprove, any sublessee, which in the opinion of the Lessor, cannot guarantee the obligations of the Lessee. All or any of the rights, benefits and advantages of Lessor under this Lease, including the right to receive the payments herein provided to be made by Lessee, may be assigned by Lessor and reassigned by any assignee at any time or from time to time. No such assignment shall relieve Lessee of any of its obligations hereunder. In the event of any such transfer or assignment, or successive transfers or assignments by Lessor, of title to the Cars and of Lessor's rights hereunder in respect thereof, Lessee will, at Lessor's expense, whenever requested by such transferee or assignee, change or cause the change of the markings to be maintained on each side of each Car so as to indicate the title of such transferee or assignee to the Cars, such markings to bear words or legend as shall be specified by such transferee or assignee.

29. NOTICES. Any notice or demand required or permitted to be given by Lessor or Lessee to the other party

shall be deemed to have been given when in writing duly addressed as hereinafter provided and deposited as Certified or Registered Mail, return receipt requested, in the official governmental mail with adequate postage prepaid:

If to the Lessor: NRUC CORPORATION
100 NORTH TWENTIETH STREET
PHILADELPHIA, PA. 19103
ATTENTION: President

If to the Lessee: BAY COLONY RAILROAD CORPORATION
420 BEDFORD STREET
LEXINGTON, MA. 02173
ATTENTION: President

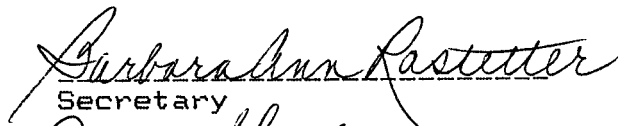
IN WITNESS WHEREOF, NRUC and Lessee have duly executed
this Lease as of the day and year first above written.


NRUC CORPORATION
A South Carolina Corporation

By 

John A. Mariscotti
President

ATTEST:


Secretary


ANNE SKALAMERA, Notary Public
City of Philadelphia, Phila County
My Commission Expires Aug 30, 1993

ATTEST:


Ass't Secretary

BAY COLONY RAILROAD CORPORATION
A Massachusetts Corporation

By 

Gordon H. Fay
President
Chairman

EXHIBIT "A"

Modified Waste Railcars to Lease Agreement dated June 1, 1989
leased to Bay Colony Railroad Corporation (Lessee) by NRUC
Corporation (Lessor) having Railroad marks as follows:

<u>Lease Car</u> <u>Numbers__</u>	<u>Railroad</u> <u>Mark____</u>	<u>Serial</u> <u>Number</u>
1.	BCLR	11
2.	BCLR	12
3.	BCLR	13
4.	BCLR	14
5.	BCLR	15
6.	BCLR	16
7.	BCLR	17
8.	BCLR	18
9.	BCLR	19
10.	BCLR	20

EXHIBIT "B"

CERTIFICATE OF INSPECTION AND ACCEPTANCE

To: NRUC CORPORATION (LESSOR)
100 North Twentieth Street
Second Floor
Philadelphia, Pa. 19103

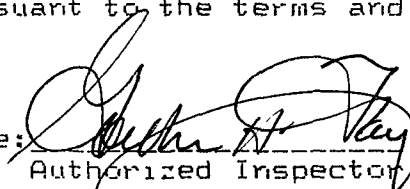
From: Bay Colony Railroad Corporation
420 Bedford Street
Lexington, Massachusetts 02173

The undersigned, a duly authorized inspector of Lessee
does hereby certify that:

Under authority of Lessee, I have inspected and accepted
delivery of the units of railroad equipment specified in the
listing below as conforming in all respects to the terms and
provisions of the Lease Agreement:

DESCRIPTION	MARK	SERIAL NUMBERS
Modified Waste Railcars	BCLR	11-20 (Inclusive)

Under authority of Lessee, I further certify that by virtue
of my acceptance of said cars the same have, on the dates stated
above, come under lease to Lessee pursuant to the terms and
provisions of said Lease Agreement.

Signature: 

Authorized Inspector

Date: June 26, 1989

EXHIBIT "C"

CASUALTY VALUE SCHEDULE

Note: The Casualty Value payable shall be the amount corresponding to the month in which notice of a Casualty Occurrence is given, pursuant to Paragraph 17; or in which month the Lease Agreement is terminated pursuant to Paragraph 19 not cured by Paragraph 20.

<u>Month Number</u>	<u>Payment Date Month/Year</u>	<u>Casualty Value Amount__</u>
1	Jun - 89	\$33,378.00
2	Jul - 89	\$32,985.48
3	Aug - 89	\$32,588.55
4	Sep - 89	\$32,187.15
5	Oct - 89	\$31,781.24
6	Nov - 89	\$31,370.76
7	Dec - 89	\$30,955.66
8	Jan - 90	\$30,535.89
9	Feb - 90	\$30,111.40
10	Mar - 90	\$29,682.13
11	Apr - 90	\$29,248.03
12	May - 90	\$28,809.05
13	Jun - 90	\$28,365.13
14	Jul - 90	\$27,916.22
15	Aug - 90	\$27,462.26
16	Sep - 90	\$27,003.19
17	Oct - 90	\$26,538.96
18	Nov - 90	\$26,069.50
19	Dec - 90	\$25,594.76
20	Jan - 91	\$25,114.68
21	Feb - 91	\$24,629.20
22	Mar - 91	\$24,138.26
23	Apr - 91	\$23,641.80
24	May - 91	\$23,139.75
25	Jun - 91	\$22,632.05
26	Jul - 91	\$22,118.64
27	Aug - 91	\$21,599.45
28	Sep - 91	\$21,074.42
29	Oct - 91	\$20,543.49
30	Nov - 91	\$20,006.58
31	Dec - 91	\$19,463.63
32	Jan - 92	\$18,914.58
33	Feb - 92	\$18,359.35

34	Mar - 92	\$17,797.87
35	Apr - 92	\$17,230.08
36	May - 92	\$16,655.90
37	Jun - 92	\$16,075.26
38	Jul - 92	\$15,488.09
39	Aug - 92	\$14,894.31
40	Sep - 92	\$14,293.85
41	Oct - 92	\$13,686.64
42	Nov - 92	\$13,072.59
43	Dec - 92	\$12,451.64

44	Jan - 93	\$11,823.70
45	Feb - 93	\$11,188.70
46	Mar - 93	\$10,546.55
47	Apr - 93	\$ 9,897.18
48	May - 93	\$ 9,240.50
49	Jun - 93	\$ 8,576.44
50	Jul - 93	\$ 7,904.90
51	Aug - 93	\$ 7,225.81
52	Sep - 93	\$ 6,539.08
53	Oct - 93	\$ 5,844.62
54	Nov - 93	\$ 5,142.35
55	Dec - 93	\$ 4,432.18

56	Jan - 94	\$ 3,714.02
57	Feb - 94	\$ 2,987.78
58	Mar - 94	\$ 2,253.37
59	Apr - 94	\$ 1,510.70
60	May - 94	\$ 759.68